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C O N F I D E N T I A L SECTION 01 OF 03 TEGUCIGALPA 000439

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STATE FOR WHA/CEN
WHA/FO FOR A/S SHANNON AND DAS DAVE ROBINSON

E.O. 12958: DECL: 06/09/2019
TAGS: PREL OAS KSUM CU HO
SUBJECT: ZELAYA AND THE FOURTH URN

REF: TEGUCIGALPA 431

TEGUCIGALP 00000439 001.2 OF 003

Classified By: Ambassador Hugo Llorens for reasons 1.4 (b & d).

¶1. (U) This is an action request message. Please see para 10.

¶2. (C) Summary: In a lengthy meeting on June 7, the Ambassador conveyed our concerns to President Manuel Zelaya over the increasingly polarized political situation in Honduras, attributing much of the blame on his recent actions pushing for a referendum to hold a constituent assembly. The Ambassador stressed our strong support for Honduran democracy and expressed the expectation that a legal, constitutional and consensual solution could be found to the current political crisis. Zelaya defended his actions, blaming the polarization on a reactionary business and media elite. He reiterated his intention of supporting the electoral process and transferring power to his elected successor on January 27, 2010. Zelaya appeared more aware than in past conversations of growing opposition to his referendum plans and the limitations he faces in Congress. He asked for U.S. help in seeking a consensus on the referendum issue within his own party (see action request) paragraph 10. End Summary.

¶3. (C) The Ambassador, accompanied by the DCM, met with President Manuel Zelaya June 7 to review the results of the OAS General Assembly (reftel) and discuss the political situation in Honduras. The Ambassador opened the discussion by noting that Honduras was increasingly divided and polarized over the issue of the President's proposal to hold a Fourth Urn on Election Day (November 29) for the purpose of gaining citizen approval for the convening of a constituent assembly to reform the Honduran constitution. He said that while he understood the President's keen interest in consulting the people on constitutional reform, it seemed

that the Fourth Urn was a distraction from focusing on the many serious economic, financial, social and security problems facing Honduras and of greatest concern to the Honduran people. Moreover, the Ambassador warned the President that while there were many members of the conservative economic and political elite who were knee jerk opponents of the Fourth Urn, there was a rapidly growing feeling by many moderates that the President's campaign represented an effort to weaken democracy and the rule of law. Worse, many were convinced that he planned to manipulate the Fourth Urn issue to stay in power beyond his constitutionally mandated term. The Ambassador cited several worrisome trends, including Zelaya's refusal to back down from his plans to hold a poll on June 28 to canvass public support for the Fourth Urn despite the fact that a judge had ruled that using the National Statistical Institute to hold a poll that had political implications was illegal. His (Zelaya's) dismissal of a court order, and his decision to involve the Honduran military in doing the logistical work of the poll was in many people's eyes a blatant disregard for the rule of law. Finally, the Ambassador noted that President Zelaya's refusal to submit a fiscal budget to Congress was seen by many as an example of the arbitrary way he was managing the nation and its public finances. The Ambassador noted that congressional leaders had reported that the Minister of Finance had been blocking the disbursement of funds to pay for congressional salaries and operating expenses. The recent decision by the National Congress to pass a resolution censuring the President, an act unprecedented since Honduras's return to democracy 28 years ago, was a harbinger of the coming political crisis, and a reflection of the serious deterioration of relations between the legislative and executive branches.

TEGUCIGALP 00000439 002.2 OF 003

¶4. (C) The Ambassador stressed U.S. support for Honduran democracy and its constitutional order. He noted that we and the democratic community around the world would expect that whatever was done or not done with regards to the Fourth Urn be handled in a manner that was legal, constitutional and consensual. The Ambassador expressed the hope that Honduran institutions were sufficiently strong and mature to ensure the maintenance of the rule of law, the holding of general elections on November 29, and the peaceful transfer of power to a new government on January 27, 2010. He said the U.S. would continue to work closely with his government on the many economic and security issues of common interest and would also look forward to working closely with and providing support for the newly-elected government beginning early next year. The Ambassador said that we wanted President Zelaya to end his term of office on a high note and avert a political crisis that could be tragic for Honduras, himself personally and his family.

¶5. (C) Zelaya blamed the polarization of Honduras on the reactionary response of the business elite to what they perceived as a threat to their privileged position. Zelaya stressed that the Honduran constitution had been consistently broken and trampled upon by the political and business elites to suit their whim. By way of example, he alleged that former President Ricardo Maduro should not have been allowed to run for the Presidency since he had been born in Panama. In the same way, both leading presidential contenders faced legal impediments to their candidacy, since the constitution prohibited Vice Presidents (Liberal Party candidate Elvin Santos) and Presidents of Congress (National Party candidate Pepe Lobo) from running for the Presidency. (Note: Not necessarily true, since the prohibition is for sitting Vice Presidents and Presidents of Congress. The constitution states that a Vice President can run for the Presidency if he resigns six months prior to the election. Following his primary victory on November 30, 2008, Santos resigned as Vice President a decision that was ratified by the National Congress. In the case of Lobo, he is not currently holding elected office, although he is a former President of

Congress). Zelaya argued that his decision to not present a budget was legal and constitutional and cited the various articles and circumstances that would allow the GOH to manage government operations under a continuing resolution.

¶6. (C) Zelaya acknowledged that an increasing number of well meaning moderates were turning against him, but blamed this on the intensity of the press campaign that the media barons had unleashed against him. He insisted that nothing in the law prohibited the executive from polling people on whether they should be consulted on the issue of constitutional reform. In any event, everyone understood that the poll had no legal standing and that the National Congress retained the final legal authority on whether to approve his Fourth Urn proposal, sanction some variant of a plebiscite on constitutional reform, or reject the proposal outright. Zelaya insisted that he would respect the National Congress's final decision, although he expected that there would be strong popular pressure on legislators to support the Fourth Urn. Zelaya stressed that public concerns about his joining the military in a coup were ridiculous and that the era of military action to break the constitutional order were a thing of the past.

¶7. (C) Zelaya reiterated his commitment that he had no/no interest or intention to stay in power and vowed to turn over the presidency to his elected successor at the inauguration on January 27, 2010. He said if he could dispel concerns about his intentions, he believed that the political leadership would be willing to engage him in serious

TEGUCIGALP 00000439 003.2 OF 003

negotiations and substantive discussion on the Fourth Urn proposal. He agreed with the Ambassador that the ideal objective should be that anything done on the Fourth Urn be legal, constitutional and based on a general consensus. He warned that a failure to handle this issue in some way would result in a continuing polarization of Honduras with a potential for confrontation and crisis.

¶8. (C) In closing, Zelaya said he did not see how he could impose his will on the National Congress, or on the leadership of his Liberal Party. However, he was seeking a dialogue within his own Liberal Party to include Congress President Micheletti, Elvin Santos and Former President Carlos Flores Facusse. Zelaya asked for U.S. assistance in encouraging a dialogue and requested that the Ambassador agree to privately participate in a meeting with his fellow Liberals. The Ambassador agreed to consult Washington on his request and said he would seek guidance from Washington if we could encourage a dialogue between the Liberals on this issue. The Ambassador stressed that even if the Department approved the Embassy role, the U.S. would in no/no way push anyone to adopt any/any specific position on this matter. These negotiations would need to be handled directly by the parties. The Ambassador said he would get back to Zelaya on his request.

¶9. (C) Comment: Zelaya remains determined to push forward on his Fourth Urn proposal and sees the June 28 poll as an opportunity to generate momentum towards this objective. Zelaya is committed to continue to lead a nationwide campaign in support of the Fourth Urn. We expect him to scheme and maneuver and seek to remain a major protagonist on the political scene in Honduras. However, in contrast to past discussions, he seemed more aware of the growing opposition to his plans for the Fourth Urn and seemed to more fully appreciate the limitations he faces in Congress. Zelaya's interest in sitting down with key Liberal Party leaders does provide an opportunity to broker a deal that could result in the creation of a legal/constitutional mechanism for consulting the Honduran people on the issue of constitutional reform without undermining, or weakening the current election process. Zelaya may be seeking a face saving way out of this situation; he will also probably want some guarantees against prosecution after he leaves office, both for himself

and his family. In this regard, U.S. interests will be served if we can encourage President Zelaya and other Honduran senior leaders to come up with a viable solution to the existing political crisis.

¶10. (C) Action Request: Embassy requests Department authorization to respond favorably to President Zelaya's request to participate in a dialogue between Liberal Party leaders. Such a meeting could result in a consensus political agreement on the handling of the Fourth Urn issue. We believe that other political actors likely would join a Liberal party consensus position. The Embassy would avoid taking any position on this issue, but will encourage all sides to adopt a solution that strictly adheres to Honduran law and the constitution.

LLORENS